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Ministry of Energy and Mines
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Canada

Re: ERO 025-0391 Enhancing Transmission Capacity Between Northern and Southern Ontario -Barrie to Sudbury Transmission Lines

Dear Julia,

Thank you for the opportunity to provide commentary on ERO 025-0931, Enhancing Transmission Capacity Between Northern and Southern Ontario - The Barrie to Sudbury Transmission Lines (the ERO).

Designating Hydro One as transmitter for the Barrie to Sudbury Transmission Lines, as contemplated in the ERO, is another example of how Hydro One and the government of Ontario are focussed to develop and build critical infrastructure projects to meet the rapidly growing electricity needs of Ontario. Hydro One is appreciative of the government's continued trust in Hydro One's ability and commitment to deliver transmission infrastructure on time and on budget for Ontarians. In delivering the Barrie to Sudbury Transmission Lines, Hydro One will continue to work with all proximate First Nations who will have the opportunity to invest in a 50 per cent equity stake in the transmission line component of the project through Hydro One's equity partnership model. With our long history of building and operating transmission lines in the province, we are confident Hydro One is best suited to develop and construct these projects.

Second Line Development

Hydro One welcomes the designation to develop the second single-circuit line (Line 2), along with the proposed licence requirements mandating the construction of one of the two lines in the near term. In fact, by completing development activities for both lines at the same time, Hydro One can realize

significant savings and benefits that will ultimately be passed onto Ontario ratepayers. Additional benefits to completing development activities for both lines at the same time include less complex project consultation and will potentially reduce impacts on landowners.

Hydro One highlights for consideration, however, that the existing ambiguity of “development” activities could impede the intent of any order or directive issued via this ERO. For context, from the Ontario electricity regulatory perspective, development activities have generally been inclusive of consultation, route planning, engineering and site/environmental studies undertaken in order to choose among options and/or prepare an application for leave to construct.¹ The development period has generally been understood to elapse at the time of filing a leave to construct application.² This interpretation on development has been silent on land acquisition activities, which are key to routing certainty and also instrumental to lowering total project costs.

If the aim remains for Hydro One to develop Line 2 such that it can be delivered cost-effectively and on time when the need for Line 2 materializes as contemplated in the ERO for Line 2, as well as to maximize ratepayer savings for total project costs, government direction must clarify the full range of development activities authorized by this designation. To maximize readiness and savings for Ontario ratepayers, Hydro One proposes that land acquisition and any other activities undertaken by a transmitter to make Line 2 construction-ready, should also qualify as development activities, and would recommend that any direction provided to develop Line 2 explicitly identify these activity types as also being development activities that are in the public interest.

In conjunction with this more comprehensive development definition recommendation, Hydro One also recommends removing language articulated

¹ See for example the definition of development in section 1.4 of Ontario Energy Board Staff Discussion Paper on Transmission Project Development Planning – EB-2010-0059 – Issued April 19, 2010 – p. 4

² See for example the Ontario Energy Board development period reporting obligations on other priority transmission projects that continue until the filing of the leave to construct application – EB-2022-0142 – Issued May 24, 2022 – p. 2

in previous ministerial directions³ that would otherwise limit the effective implementation of development activities. Specifically, Hydro One proposes that instead of the following language provided in previous directions:

“The scope and timing for the transmission line projects listed in sub-paragraph i above shall accord with the recommendations of the IESO.”

We propose that the following language should take its place, regarding development activities with line 2:

“The timing for the construction of transmission line projects listed above shall accord with the recommendations of the IESO.”

Hydro One’s recommendation is predicated on the fact that the ministerial direction established through this ERO is what will define the initiation of the development phase of Line 2. Further, the scope of the development activities, i.e., a second 500-kV transmission line between Sudbury and Barrie is also defined by any order that flows from this ERO. There is no need to await further direction from the IESO to initiate development activities on Line 2. If Hydro One were to otherwise delay the development of Line 2 until the need for Line 2 has been recommended by the IESO, the potential savings contemplated by the ERO will not be realized nor will the second line be construction ready for when Line 2 is needed.

Hydro One confirms that notwithstanding this recommendation regarding development, any construction activities associated with Line 2 will accord with the scoping and timing recommendations defined by the IESO.

Please do not hesitate to reach out if you have any additional questions.

Best,

³ See for example Directive - Order in Council 875/2022

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